



URL: http://www.aarp.org/legislative/elections/budget_statement_2005.html

AARP Responds to President Bush's 2006 Budget Plan

AARP shares the President's goal of fiscal discipline in the nation's budget. We believe that the federal budget should be crafted in a way that provides real help for people in need, promotes fairness across all generations and is affordable.

[Read the Federal Budget Update](#)

We are concerned that the President's 2006 budget, which cuts or eliminates 150 domestic programs, could significantly weaken our nation's commitment to the most vulnerable, including children and older Americans.

The \$60 billion cut in Medicaid over 10 years could have a significant impact on millions of Americans. Medicaid provides necessary health care for one in every six Americans. It is the safety net for older Americans needing long-term care, for the disabled and for children in poverty. There are ways of saving money or using funds more effectively, but the scale of these cuts threatens millions with the loss of vital coverage. We want to make sure that these reductions do not simply shift the burden to the states or result in service cuts to our most vulnerable citizens, including children and seniors.

We are also concerned that proposed budget process changes could jeopardize the future of programs like Medicaid and Medicare. AARP believes that Congressional budget process changes are needed to restore fiscal discipline, but that these changes should apply to both the spending and revenue side of the budget.

We are pleased that the budget contains a new Home and Community Based demonstration project that will enable people with disabilities to move from institutions into the community. We think this is one way to potentially improve services and reduce health care costs at the same time.

Finally, the President's budget does not address recently proposed changes in Social Security. It leaves open the question of how the trillions of dollars in transition costs for creating private accounts with money taken out of Social Security will be paid. Social Security does need to be strengthened now for our children and grandchildren, but the solution should not be worse than the problem. Private accounts that drain money out of

Social Security would cut guaranteed benefits while passing the bill to future generations. By making sensible changes now, we can honor our obligations to all generations.

AARP will conduct a more in-depth analysis of the President's budget. We look forward to working with the Administration and Members of Congress from both sides of the aisle to help craft a budget that is both fiscally responsible and meets the real needs of the American people.